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POSSIBILITIES AND LIMITS OF RURAL CO-OPERATIVE SELFHELP IN DEVELOPING COUNTRIES

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by Professor Dr. H.J. Seraphim, Director of the Institute for Co-operative Research in the University of Münster, Federal Republic of Germany.

The following essay will not give advice for how to develop countries but it is a basic consideration about the economic problems all developing countries have in common. Presumption is set that the rural co-operatives have an important part in the economic growth of developing countries, because the improvement of the agrarian structure is the precondition of a successful industrialization. In this connection it is of decisive importance to arise the initiative of those peoples and to intensify this initiative in the way of co-operative selfhelp.

Presumptions of co-operative activity

1. The judicial and economic independence of the individual enterprise.
   (Liberty of the formation of production, of borrowing, of power to dispose of the ground, of association in co-operatives).

2. The economic weakness of the individual enterprise
   (Economically strong enterprises do not need a co-operation, but the weakness must enable measures of selfhelp).

3. The existence of a great number of economically weak farms
   (Simular weak position, simular structure of production).

4. The awareness of this weak position
   (Understanding of the necessity of associating).

5. Professional qualification of the leaders of the co-operatives.

6. The possibility of financing the co-operatives.

Limits of co-operative activity

1. Often there are only few possibilities of development, therefore there is the necessity of an extended land reform.

2. The economic weak are often so poor that it is very difficult to build up and finance a co-operative.

3. Primitive uniformity of managing extensively excludes differentiations.

4. There is seldom the understanding of the weak position and the wish to ascend economically, because there is seldom a rational-economic thinking, but in place of this metaphysical-religious cohesions.

5. The standard of education is very low (illiteracy), therefore the training of a leading élite is the primary task.

6. The individual enterprises hardly are able to solve the problem of financiation. Here a financial help of the state is necessary; but this help is absolutely forbidden to hurt the primary principles of co-operativisme: selfhelp, self-responsibility and self-determination. The state's help only has to be an initial priming.

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